

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 2, ARTICLE 2,
DIVISION 2 OF THE SAN DIEGO MUNICIPAL CODE BY
ADDING SECTIONS 22.0229 AND 22.0230 RELATING TO
MID-YEAR ADJUSTMENTS TO THE ADOPTED BUDGET OF
THE CITY AND REPORTING SIGNIFICANT REDUCTIONS
IN CITY SERVICES OR PROGRAMS.

WHEREAS, the Mayor, as Chief Executive Officer, is the Chief Budget Officer of the
City of San Diego (City) and is responsible for planning the activities of the City government
and for adjusting such activities to the finances available; and

WHEREAS, the City Council has non-delegable legislative power and authority
regarding the spending of public money; and

WHEREAS, San Diego Charter section 290(b) sets forth the process by which the annual
budget of the City is adopted; and

WHEREAS, from time to time, the City's adopted budget may become unbalanced
during the fiscal year due to either revenues exceeding expenditures or expenditures exceeding
revenues; and

WHEREAS, to the extent that the City is projecting a significant variance from the
adopted budget after six months of actual experience, the City Council may exercise its
budgetary authority by requiring the Mayor to recommend adjustments (Mid Year-Adjustments)
to the budget to address any surplus or deficit; and

WHEREAS, Mid Year-Adjustments to the budget follow the same process as the
adoption of the annual budget pursuant to Charter section 290(b); and

WHEREAS, prudent management of public resources and the City's policy regarding maintaining healthy reserves demand restraint with respect to expenditure of projected fund balances such that due consideration shall be given to applying any projected surplus to strengthening General Fund reserves; and

WHEREAS, in accordance with the City's budget policies, any projected surpluses resulting from one-time revenues or savings shall only be applied to one-time expenditures; and

WHEREAS, in order to enhance transparency and to assist both the Mayor and the City Council to balance the fiscal condition of the City with the expectations of the community, the Mayor shall provide the Council with prior notice of any significant reductions in any program or service affecting the community and the fiscal justification for such reductions; NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That Chapter 2, Article 2, Division 2 of the San Diego Municipal Code is hereby amended by adding sections 22.0229 and 22.0230 to read as follows:

§ 22.0229 Mid-Year Amendments to the Adopted General Fund Budget

- (a) At such time during any fiscal year after the City has six months of actual budgetary data and the Mid-Year Budget Monitoring Report is projecting a surplus or a deficit relative to the adopted General Fund budget, the Mayor shall report such deficit or surplus to the City Council and provide a recommendation to the City Council, and accompanying budget amendment resolution, to address the reported deficit or surplus.

- (b) The City Council may approve the Mayor's recommendation or modify such recommendation in whole or in part, in accordance with Charter section 290(b) provided, however, that the City Council may not increase the adopted General Fund budget by more than \$5 million or more than 50% of any projected surplus, whichever total dollar amount is less.
- (c) Notwithstanding any other provision in this section, transfers of appropriations recommended by the Mayor pursuant to Charter section 73 shall not be considered budget amendments and shall not be subject to the provisions herein.

§ 22.0230 Reporting Significant Reductions in Programs or Services

- (a) Prior to any significant reduction in programs or services affecting the community, the Mayor, or designee, shall provide written notice to the City Council regarding such reductions and provide a fiscal justification thereof and a description of expected service level impacts.
- (b) In the event there is any disagreement between the Mayor and the City Council regarding what constitutes a significant reduction, the City Council may establish specific funding reduction levels by resolution.

Section 2. That a full reading of this ordinance is dispensed with prior to its passage, a written or printed copy having been made available to the City Council and the public prior to the day of its passage.

Section 3. That this ordinance shall take effect and be in force on the thirtieth day from and after its final passage.

APPROVED: JAN I. GOLDSMITH, City Attorney

By _____
Brant C. Will
Deputy City Attorney

BCW:jdf
06/17/2011
Or.Dept:IBA
Document No.: 201436

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I hereby certify that the foregoing Ordinance was passed by the Council of the City of San Diego, at this meeting of _____.

ELIZABETH S. MALAND
City Clerk

By _____
Deputy City Clerk

Approved: _____
(date)

JERRY SANDERS, Mayor

Vetoed: _____
(date)

JERRY SANDERS, Mayor

DRAFT